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H – 797

International Court of Justice

H0797 – 0002

Notice.

Not to be published until presented before the tribunal in open court and then only that portion actually submitted as evidence.

Ne pas publier avant présentation devant le tribunal en audience publique et seulement la partie réellement versée au dossier.

Nicht zu veroeffentlichen vor Darlegung vor dem Gericht (Tribunal) in oeffentlicher Sitzung und dann nur jenen Teil, welcher tatsaechlich zur Beweisfuehrung uebermittelt wurde.

Не публиковать до того, как представлено на публичном заседании трибунала и только ту часть, которая представлена в качестве доказательства.

H0797 - 0003

I certify that none of the documents included herein have been denied by the tribunal and that this document book has been examined with the prosecution in accordance with the ruling of the tribunal dated 4 April 1946.

Je certifie qu'aucun des documents ci-inclus n'a été contesté par le Tribunal, et que ce livre de documents a été examiné par le Ministére Public suivant les règles du Tribunal, en date du 4 Avril 1946.

Ich bestätige, dass keine der hierin enthaltenen Dokumente vom Gerichtshof abgelehnt wurden und dass dieses Dokumentenbuch gemeinsam mit der Anklagevertretung durchgesehen wurde, in Uebereinstimmung mit der Entscheidung des Gerichtshofes vom 4. April 1946.

Signature of Consel

Signature de l'Avocat

Unterschrift des Verteidigers

H0797 - 0004

DOCUMENT BOOK

SCHACHT

Submetted by

Dr. RUDOLF DIX

Attorney-at-Law

H0797 - 0005

INDEX

(Page I of orig.)

Exh. SCHACHT No.			Page
I To the accusation of assistance in seizure of power Good Faith of SCHACHT herein.			
1.	MESSERSMITH, George S.	Affidavits 1945 (Excerpt) USA 57, 68, 626	1
2		Record of a meeting of prominent industrialists on 26 February 1933 (Excerpt) USA 767	4
3	von SCHNITZLER, Georg	Affidavit of 10 November 1945 (Excerpt) USA 618	6
4	von BLOMBERG	Proclamation to the Wehrmacht of 1 February 1933 (Excerpt)	8
5	HITLER, Adolf	Reichstag speech of 23 May 1933 (Excerpt)	10
6	SCHACHT, Dr. Hjalmar	The policy of the Reich Bank, speech 1926 (Excerpt)	12
II The objective facts on rearmament.			
7		Questions by Dr. SCHACHT to KEITEL on 4 March 1946	15
8	Ambassador DODD	Diary 1933 - 1938 (Excerpt)	17 USA 58
9	MESSERSMITH, George S.	Affidavit of 30 August 1945 (Excerpt)	19 2385-PS
10	HITLER, Adolf	Communication to Dr. SCHACHT of 19 January 1939	21 USA 650
11		Report on the status of the work for an economic mobilization on 30 April 1934 (Excerpt)	23 USA 623
III Subjective Attitude of SCHACHT toward Rearmament and toward an "Aggressive War".			
12		Statements by European statesmen about Germany's demand for general disarmament	25

H0797-0006

Exh. SCHACHT No.			Page
13	SCHACHT, Dr.Hjalmar	Memorandum to BLOMBERG of 24 December 1935 EC 293	30
14	" " "	Miracle of Finance and The New Plan, Speech 1938 (Excerpt) USA 622	33
15		Biennial Report of the Chief of Staff of the United States Army General MARSHALL	35
16	SCHACHT, Dr. Hjalmar	The end of the reparations 1931 (Excerpt)	38
17	DAVIES, Joseph E.	Telegraphic Report from MOSCOW about a conversation with SCHACHT on 20 January 1937 (Excerpt)	40
18	" " "	Mission to Moscow, 1941 (Excerpt)	43
19	SCHACHT, Dr. Hjalmar	Speech during the Centinnial Celebration of the Society for Geography and Statistics 1936 (Excerpt)	48
20	USA 123	Minutes of the Inner Ministerial Council of 12 May 1936 (Excerpt)	51
21	SCHACHT, Dr.Hjalmar	Germany's colonial problem 1937 (Excerpt)	53
22	BULLITT USA 70	Memorandum on a conversation between BULLITT and SCHACHT on 23 November 1937 (Excerpt)	57

IV Resistance against HITLER and his system of violence.

23	SCHACHT, Dr.Hjalmar	Communication to GOERING of 3 November 1942	59
24	USA 631	Memorandum of the Reich Bank Directorate to Adolf HITLER of 7 January 1939 (Excerpt)	63
25	SCHACHT, Dr. Hjalmar	Koenigsberg Speech of 18 August 1935 (Excerpt)	66
26		Document on SCHACHT's dismissal of 22 January 1943	69
27	SCHACHT, Dr. Hjalmar	Speech during the celebration meeting of the Reich Chamber of Economics on 22 January 1937 (Excerpt)	72
28	HITLER, Adolf	Reichstag Speech of 20 February 1938 (Excerpt)	74

H0797 – 0007

III

Exh. SCHACHT No.			Page
29	GISEVIUS, Hans Bernd	To the bitter end, 1946 (Excerpt)	76
30	SCHACHT, Dr. Hjalmar	Speech before the Chamber of Industry and Commerce of 11 May 1937 (Excerpt)	82
31	" " "	Letter to Mr. FRASER of October 1939	84
32	not used	Article from the BASLER NACHRICHTEN of 14 January 1946	90
	V Contrast between HITLER and SCHACHT.		
33	MORTON, Richard	Letter to the Treasury Solicitor of 15 November 1945	99
	Affidavits.		
34	SCHNIEWIND, Dr. Otto	Affidavit of 18 March 1946	106
35	REUTER, Dr. Franz	Affidavit of 6 February 1946	125
36	van SCHERMENBERG, Dr.A.H.	Affidavit of 14 February 1946	141
37a	HUELSE, Dir.H.	Affidavit of 7 March 1946	149
37b	" " "	First supplementary affidavit of 8 April 1946	156
37c	" " "	Second supplementary affidavid of 6 April 1946	160
38	THOMAS, General	Affidavit of 20 February 1946	163
39	GRONAU, Hans	Affidavit of 14 March 1946	1168
40	ASMIS, Kammerdir. W.	Affidavit of 14 March 1946	172
41	SCHMIDT, C.C.	Affidavit of 19 March 1946	180

H0797 – 0008

IV

Exh. SCHACHT No.			Page
42	BERCKMEYER, Dr. Dr.	Affidavit of 16 January 1946	189

Appendix

43		Correspondence between the publisher of Ambassador DODD's Diary and Sir Nevile HENDERSON of 16 to 22 January 1942	194
44	FULLER, jr. S.R. USA-629	Sworn Testimony of 18 October 1945 (Excerpt)	199
45	3575-PS	Memorandum about the session of the Reich Defense Council of 18 November 1938 (Excerpt)	201
46	1301-PS	Minutes of a meeting with GOERING on 14 October 1938 (Excerpt)	204
47	FC 421	Excerpt from the minutes of a meeting with General THOMAS on 11 March 1938	206
48		Hitler's Memo concerning the task of the Four-Year Plan - 1936.	

H0797 - 0009

Refused 6 April 30

SCHACHT Exhibit No.1

Excerpts from the sworn statements of

Consul General George S. MESSERSMITH

a) of 28 Aug 1945 (presented by the prosecution under 1760 - PS.), USA 57

b) of 30 Aug 1945 (presented by the prosecution under 2385 - PS.), USA 68

c) of 15 November 1945 (presented by the prosecution under EC 451). USA 626

Relevent for the refutation this, his description in the course of the presentation of evidence.

H0797 - 0010

SCHACHT Exhibit No.1

Excerpts from the sworn statements by Consul General George S.MESSERSMITH

a) of 28 Aug 1945 (presented by the prosecution under 1760 - PS)

b) of 30 Aug 1945 (presented by the prosecution under 2385 - PS)

c) of 15 Nov 1945 (presented by the prosecution under EC 451).

a.

Excerpt from the sworn statement of Consul General George S. MESSERSMITH of 28 Aug 1945.

Page 6.

...During the wave of terrorist acts in May and June 1934, I had already assumed my duties as American Minister in Vienna.....

b.

Excerpt from the sworn statement of Consul General George S. MESSERSMITH of 30 Aug 1945.

Page 10, line 21.

...When the Nazi Party took over Germany, it represented only a small part of the German population.....

c.

Excerpt from the sworn statement of Consul General George S. MESSERSMITH of 15 Nov 1945.

...During the years 1930 to 1934, when I was American Consul General in Berlin, I know Dr.Hjalmar SCHACHT very well. I had frequent

H0797 - 0011

SCHACHT Exhibit No. 1

visits with him. My official duties brought me into frequent contact with him as head of the Deutsche Reichsbank and as Minister of Commerce .....

I herewith certify that the three excerpts above are true and correct copies from sworn statements of the Consul General George S. MESSERSMITH.

Nuernberg, 18 March 1946

Dr.jur. Herbert KRAUS
Professor of Jurisprudence.

H0797 - 0012

(Page 4
of Orig.)

April 30

SCHACHT Exhibit No. 2

Excerpt from the record of a meeting of prominent German industrialists in HITLER's presence for the purpose of the collection of an election fund of 26 February 1933.
(Already presented by the prosecution under No. D-203).

H0797 - 0013

SCHACHT Exhibit No. 2

Excerpt from a record

of a

meeting of prominent German industrialists in HITLER's presence for the purpose of collection of an election fund

of 26 February 1933.

****** GOERING ****** then led over very cleverly to the necessity that other circles not taking part in this political battle should at least make the financial sacrifices so necessary at this time."

I herewith certify that the above document is a true and correct copy from the record of a meeting of prominent industrialists of 26 February 1933.
Nuernberg, 11 March 1946

Dr.jur.Herbert KRAUS

Professor of Jurisprudence

H0797 - 0014

(Page 6
of Original)

April 30

SCHACHT Exhibit No. 3

Sworn statement by Georg von SCHNITZLER

of 10 November 1945.

Already presented by the prosecution

under No. EC 439.

use 618

H0797 - 0015

SCHACHT Exhibit No. 3

Sworn statement by

Georg von SCHNITZLER

of 10 November 1945.

(Already presented by the prosecution under No. EC 439.) Excerpt.

... The fund should be distributed between the two "Allies" according to their relative strength at the time being. Dr. STEIN suggested that the Deutsche Volkspartei should be included which suggestion when I rightly remember was accepted. The amounts which the individual firms had to contribute were not discussed.

I herewith certify that the above document is a true and correct copy of the sworn statement of Georg von SCHNITZLER of 10 November 1945.

Nuernberg, 13 March 1946.

Dr. jur. Herbert KRAUS

Professor of Jurisprudence.

H0797 - 0016

(Page8
of orig.)

April 30 1946

SCHACHT Exhibit No. 4

Proclamation of the Reich Minister of National Defense (Reichswehrminister) von BLOMBERG to the Armed Forces on taking over the Reich Ministry of National Defense on 1 February 1933

From "Dokumente der Deutschen Politik" (Published by F.A. SIX) Volume I, 7th Edition, 1942.

Excerpt.

H0797 – 0017

SCHACHT Exhibit No. 4.

Proclamation of the Reich Minister of National Defense von BLOMBERG to the Armed Forces on taking over the Reich Ministry of National Defense (Reichswehrministerium) on 1 February 1933 ("Dokumente der Deutschen Politik", published by F... SIX, Volume I, 7th Edition, 1942).

Page 9.

Through the confidence of our Supreme Commander, the President of the Reich and Fieldmarshal von HINDENBURG, I have been appointed Head of the Armed Forces. I accept the appointment with the firm will to maintain the Army (Reichswehr) as a non-party force of the State, in accordance with the legacy of my predecessors, to support it by promoting all efforts aimed at the military training of the nation, and within a measurable period of time to make it a valid guarantee of the national security of the Fatherland.

I hereby certify that the above document is a literal copy from the proclamation of Reichswehrminister von BLOMBERG to the Armed Forces of February 1933.

Nuernberg, 10 February 1946. (signed) Dr. jur. Herbert KRAUS
Professor of Jurisprudence

H0797-0018

Ident May 3, 1946

(Page 10 of Orig.)

Soviet Exhibit No. 5

Programmatic speech of Adolf HITLER
during the Session of the Reichstag
in the Kroll-Operahouse on 23 May 1933.
From "Dokumente der Deutschen
Politik" (published by F.A. Six)
Volume I, 7 the Edition, 1942.
Excerpt.

H0797 - 0019

 Schacht Exhibit No. 5

Programmatic speech of Adolf HITLER
during the Session of the Reichstag in the Kroll-Operahouse
on 23 March 1933.
From " Dokumente der Deutschen Politik" (published by F.A. Six)
Volume I, 7 the Edition 1942 No. 3.

Page 50

It is the sincere wish of the National Government to be able to refrain from increasing the German army and our armament, if the rest of the world at last is disposed to fulfil also its obligation for a radical disarmament.

I herewith certify that the above document is a literal copy from the programmatic speech of Adolf HITLER on 23 May 1933

Nuernberg, 10, March 1946

(signed) Dr. jur. Herbert KRAUS
Professor of Jurisprudence.

H0797 - 0020

(Page 12 of original)

filed April 30

SCHACHT Exhibit No. 6

The Policy of the Reich Bank.

Statements of Reich Bank President Dr. SCHACHT at the 8th session of the sub-committee for Money and Credit matters on 21 October 1926. Excerpt.

About the question of importance.

The reproof contained in the part underlined in red against the Weimar Government was a further reason for Dr.SCHACHT to begin to help HITLER.

H0797-0021

SCHACHT Exhibit No. 6

The Policy of the Reich Bank

Excerpt

from the statement of Reich Bank President Dr. SCHACHT at the 8th session of the sub-committee for Money and Credit matters on 21 October 1926.

Page 23

.... The great amount of the foreign credits works out primarily of course towards a steady increase in the yearly burden of interest and refunding payments which lies on German economy. This means that our balance of payments, which momentanly, thanks to the streaming in of foreign capital looks extremely favorable, will steadily deteriorate in the course of years, particularly when the payments for interests and refunding go out of the country. And in fact as regards economic policy, it comes to this that the borrower, whether it is an individual industrialist, a joint stock company, a community or even a state, contracts debts in the form of currency, without being in any way in a position, to raise the annuities by himself, but he does so in the hope and expectation that the collective German economy will at the proper time place at his disposal this currency exchange repayment of interest and capital, this hope and expectation quite evidently was bound to be deceptive to the fullest extent, since if today already we do not succeed in raising from our own economy in the form of currency the payments to foreign countries expected of us through export surpluses and earnings abroad, it is

H0797 - 0022

SCHACHT Exhibit No. 6

obviously out of the question for this to be the case in the future....

Page 26.

... bonsequently the Reich Bank has for the last 2½ years uninterruptedly caller the attention of our econo.y to the dangers of foreign credit.

I hereby certify that the document reproduced above is a literal copy from the address of Dr. SCHACHT on 21 October 1926

Nuernberg, 10 March 1946

Dr. jur. Herbert KRAUS

Professor of Jurisprudence

H0797 – 0023

(Page 15)

Schacht Exhibit No. 7

Questions of Dr. SCHACHT to
defendant KEITEL

Introduced
at the afternoon session
of 5. April 1946 under
No. Sch - 1
Compare German
transcript S. 7235

Referred to
May 1 - 1946

H0797 - 0024

SCHACHT Exhibit no. 7

4 March 1946

Questions of Dr. SCHACHT to defendant KEITEL.

According to document 1168 PS (Line 21 of English text) some 2¼ billion Reich Mark were given by the Reich Bank for armament purposes up to March 31st 1935 (the budget year runs from April to April). The total expenditure for armaments for the period to 31 March 1935 cannot at this time be establis hed, but the prosecutor said rightly in a speech that at the beginning of the armament program the Reich Bank was the principal money-giver.

As the prosecutor further rightly said, the Reich Bank provided financial help for armament to the extent of 12 billion RM, before it stopped such help on 31 March 1938. From this would result approximatively the following statement of armament financing:

Budget year	Total expenditures	of which from Reich Bank	without Reich Bank
to 31 March 1935	?	2¼ billion RM	? billion RM
to 31 March 1936	5 billion RM	3¼ " "	1 3/4 " "
to 31 March 1937	7 " "	3¼ " "	3 3/4 " "
to 31 March 1938	9 " "	3¼ " "	5 3/4 " "
to 31 March 1939	11 " "	nothing	11 " "
to 31 March 1940	20,5 " "	nothing	20,5 " "

Question: Can you certify the correctness of the figures of the first column, that is of the total expenditures?

Reply: Yes ! (sig.) KEITEL

I hereby certify that the above document is a literal rendering of the questions signed by KEITEL.

Nuernberg, April 1st 1946.

Dr. Herbert KRAUS

Professor of Jurisprudence.

H0797 - 0025

(Page 17
of Orig.)

SCHACHT Exhibit No. 8

Ambassador DODD's Diary

1933 - 1938

LONDON 1941

Excerpt Page 176

F-e 461
USA 58

H0797 - 0026

SCHACHT Exhibit No. 8

Ambassador DODD's Diary

1933-1938

LONDON 1941

Excerpt

Page 176

..... When he (i.e. SCHACHT) declared that the Germans are not arming so intensively, I said: Last January and February Germany bought from American aircraft people $ 1,000,000 worth of high class war flying machinery and paid in gold. .....

I herewith certify that the above document is a true and correct copy of Ambassador DODD's Diary.

Nuernberg, 2 April 1946

Dr. jur. Herbert KRAUS

Professor of Jurisprudence

H0797 – 0027

Schacht Exhibit No. 9

Excerpt from the sworn statement of George S. MESSERSMITH, Consul General of the United States of 30 August 1945, presented by the prosecutic under No. 2385 - PS

H0797-0028

SCHACHT Exhibit No. 9

Excerpt

from the sworn statement of George S. MESSERSMITH, Consul General of the United States
of 30 August 1945.

Page 3.

... Immediately after the Nazis came into power they started a vast rearmament program. This was one of the primary immediate objectives of the Nazi regime. ...

Page 4.

... The rapid development of this air program was obvious to everyone; for one could not go out on the streets in Berlin or in any other city of importance in Germany without seeing pilots and air force trainees in evidence everywhere. ...

Page 8.

... The huge German rearmament program, which was never a secret, and which was openly announced in the spring of 1935,...

I herewith certify that the above document is a true and correct copy from the sworn statement of Consul General George S. MESSERSMITH of 30 Aug 1945.

Nuernberg, 14 March 1946

Dr. jur. Herbert KRAUS
Professor of Jurisprudence.

H0797-0029

(Page 21
of Orig.)

SCHACHT Exhibit No.10

Letter by Adolf HITLER to Dr. SCHACHT on the accasion of the latter's recall from the office of president of the Reichsbank directorate of 19 January 1939.

(Already submitted by the prosecution under No. EC 397).

USA 650

(Page 22
of Orig.)

SCHACHT Exhibit No.10

Letter by Adolf HITLER

to

Dr.SCHACHT

on the occasion of the latter's recall from the office of president of the Reichsbank directorate of 19 Jan 1939.

Berlin, 19 January 1939

Dear Mr. Minister!

On the occasion of your recall from office as President of the Reichsbank Directorate I take the opportunity to express to you my most sincere and warmest gratitude for the services which you rendered repeatedly to Germany and to me personally in this capacity during long and difficult years. Your name, above all, will always be connected with the first epoch of the national rearmament. I am happy to be able to avail myself of your services for the solution of new tasks in your position as Reich Minister.

With German Greetings

Your

(Signed) A. HITLER

To

Reich Minister

Dr.Hjalmar SCHACHT

Berlin.

I herewith certify that the above document is a true and exact copy of the original document about the recall of Dr. SCHACHT from the office of president of the Reichsbank directorate. dated 19 January 1939.

Nuernberg, 11 March 1946

Dr.jur. Herbert KRAUS

Professor of Jurisprudence.

H0797-0030

H0797 - 0031

SCHACHT Exhibit No. 11

Report on the state of affairs

of economic mobilization

on 30 April 1934

Excerpt

This document bears the number EC 128

and has already been introduced at the

trial by the prosecution

2C Sa623

H0797 - 0032

SCHACHT Exhibit No. 11

Report on the state of affairs
of economic mobilization on
30 April 1934

Excerpt

Page 4.

"At that time we were able to extend our raw material and production base towards the West (LONGWY, BRIE, TOURCOING, ROUBAIX, ANTWERP (textiles)); towards the East (LODZ) and Southeast (ore mines in SERBIA and TURKEY, mineral oils in RUMANIA); today we must count upon being driven back in our own country and even possibly to lose in the West and in the East valuable industry and raw material areas."....

I hereby certify that the above excerpt is a literal rendering from document EC 128.

Nuernberg, 27 March 1946.

Dr. jr. Herbert KRAUS
Professor of Jurisprudence.

Filed May 1, 1946

H0797 - 0033

(Page 25
of orig.)

SCHACHT Exhibit No. 12

Statements by European Statesmen concerning Germany's claim for general disarmament

a) Paul BONCOUR at the third meeting of the League of Nations preparatory disarmament commission on 6 April 1927

b) Paul BONCOUR in the newspaper "Journal" of 25 April 1930

c) Statement by A. BRIANDE at the meeting of the League of Nations' Council on 20 January 1931

d) Lord Robert CECIL in his radio speech of 31 December 1930

e) Minister HENDERSON at the meeting of League of Nations Council on 20 January 1931.

H0797 — 0034

SCHACHT Exhibit No. 12

f) VANDERVELDE,

Belgian Foreign Minister,

on 27 February 1927

g) VANDERVELDE in the newspaper

"POPULAIRE" of 20 December 1930

All the above statements have been taken from the "Dokumente der Deutschen Politik volume III 7th. edition 1942, page 78f (published by F.A. Six)

Relevent to show that Dr. SCHACHT's viewpoint is the same.

SCHACHT Exhibit No. 12

Statements by European Statesmen

concerning

Germany's claim for general disarmament.

a

Paul BONCOUR at the third meeting of the League of Nations preparatory disarmament commission on 8 April 1927.

"It is true that the preamble to Part V of the Versailles Treaty concerns the armament limitations which were imposed upon Germany as a requisite and forerunner to general armament limitations. This even distinguishes very clearly Germany's armament limitations from other similar armament limitations which, in the course of history, have been imposed at the conclusions of wars and which, by the way, proved generally quite ineffective. This time - and this reveals its whole worth - this regulation has not only been imposed on a signatory of the treaty, it is rather a duty, a moral and legal obligation upon the other signatories to begin to limit armaments in general."

b

Paul BONCOUR in the "Journal" of 25 April 1930

"Finally one need not be a prophet, it suffices to keep ones eyes open in order to ascertain, in the event of ultimate failure of the disarmament negotiations or also in the event they merely continue to be postponed, that Germany, which is free of other pressure, will be disposed to shake off this disarmament

H0797 - 0035

HO797 - 0036

and will no longer tolerate an armament limitation which the Versailles Treaty itself designated not only as the requisite but also as the promise of a general armament reduction. We no longer have any choice."

c

Statement by A. BRIAND
at the meeting of the League of Nations
council on 20 January 1931.

"In behalf of my country I wish to add to the eloquent words with which our President opened this session. I believe, like you - I have already frequently had the opportunity to say so -, that the responsibilities, which the nations have assumed contractually by signing Article 8 of the League of Nations statute, must not remain a dead letter. They represent a holy obligation and a country, which would withdraw from it, would dishonor itself."

d

Lord Robert CECIL in a Radio Address
on 31 December 1930.

"...We would destroy all confidence in international obligations if we would not keep what have promised. At the same time it is in my eyes of secondary importance that we would have nothing to answer for in this case if our previous opponents approach us with the demand to be able to rearm again."

e

Minister HENDERSON at the meeting of the League
of Nations Council
on 20 January 1931.

"We must convince our parliaments and nations

H0797 - 0037

that all members of the League of Nations are driven into this policy of general disarmament by solemn obligations laid upon us both by international law and national honor."......

f.

Statement of the Belgian Foreign Minister Vandervelde on 27 February 1927.

"From now on we stand before the following dilemma: either the other powers must decrease their armies in proportion to the German Reichswehr or the peace treaty becomes invalid and Germany will assume the right to possess military forces sufficient to defend the inviolability of its territory. From these facts two conclusions are to be drawn; first, that all control measures are rather ineffective and secondly, that the disarmament will either be general or not at all."

g.

Statements of the Belgian Foreign Minister Vandervelde in the newspaper "Populaire" on 29 December 1930.

"One would make of the Versailles Treaty a scrap of paper if one were not to fulfil the moral and legal obligations of the treaty, which forced disarmament on conquered Germany, for the purpose of preparing for the disarmament of the others."

I hereby certify that the portions printed above are literal renderings of the statements in question from the copy contained in the Documents of German Policy.
Vol III (7th Ed.1942) pp 78 f.
Nuernberg, 22 March 1946.

Dr.Herbert KRAUS
Professor of Jurisprudence.

HO797 - 0038

Schacht Exhibit No. 13

Memorandum of Dr. Schacht, Reich and prussian Minister of Economics to the Reich Minister of War of 24 December 1935

(Already Presented by the prosecution under No. EC 293.)

Excerpt

H0797 - 0039

Schacht Exhibit No. 13

Memorandum of Dr. SCHACHT, Reich and Prussian Minister for Economics to the Reich Minister of War of 24 December 1935.

Excerpt

Copy

The Reich and Prussian Minister of Economics.

Berlin, 24 December 1935.
Behrenstr. 43.

Top Secret
To the Reich Minister of War: Page 1.

From letter file No. 66 b 9950 W wi (II a) of 29 November I gather that an increased Wehrmacht demand for copper and lead is anticipated, and that to about double the previous consumption. This concerns only the current needs, while the equally urgent stockpiling is not contained in the figures. You expect me to obtain the necessary foreign currencies for these requirements. I respectfully reply that I see no possibility of this under the prevailing circumstances.

. . . In all previous conferences with the Fuehrer and Reich Chancellor, as well as with the leading military agencies, I have expressed the conviction that it would be possible to provide foreign currencies and raw materials until 1 April 1936, for armament on the scale maintained thus far. Although this program of mine has been made extremely difficult by our cultural policy, which is encountering opposition throughout the world, as well as by our agrarian policy, and will continue to be made difficult, I still hope to be able to realize my original anticipations. . . .

H0797 - 0040

Schacht Exhibit No. 13

The picture of the hampering of my trade and foreign-currency policy would, however, not be complete if I did not point again and again to the cultural-policy hindrances, which keep alive throughout the world resistance to and dislike for business connections with us. The economic and legal treatment of the Jews, the anti-church movement of certain party organizations and the legal arbitrariness associated with the Gestapo form a detriment to our armament task, which, by the application of more reasonable methods, could at least be considerably diminished without sacrificing the objective.

Charged with the conduct of affairs:

Signed: Dr. HJALMAR SCHACHT

President of the Reichsbank Direktorate.

I herewith certify that the above document is a true and correct copy from the excerpt of the memorandum of Dr. Schacht, Reich and Prussian Minister of Economics to the Reich Minister of War of 24 December 1935.

Nuernberg, 10 March 1946.

Dr. jur. Herbert KRAUS

Professor of Jurisprudence

H0797 – 0041

(Page 33
of Orig.)

SCHACHT Exhibit No. 14

" Miracle of Finance" and "the New Plan"
Speech of Dr. Hjalmar SCHACHT, President
of the Reichsbank before the Economic
Council of the German Academy,
Berlin, 29 November 1938
(Private print of the Reichsbank)

The English text under No. EC 611 has
already been introduced in court by the
prosecution.

H0797 - 0042

SCHACHT Exhibit No. 14

"Miracle of Finance" and the "New Plan"

Speech by Dr. Hj. SCHACHT, Reichsbank President

before the Economic Council of the German Academy on

29 November 1938.

Excerpt

Page 29 f

..... In fact, I hope and desire that my statements might lead to an understanding within and without our borders. This understanding is that the nations serve the prosperity of their fellow countrymen better by a peaceful policy of mutual regard of interests and the will to understand each other than by attempts at suppression and violence as were made by Versailles. .....

I herewith certify that the above document is a true and correct copy from Dr. Hjalmar SCHACHT's speech of 29 November 1938.

Nuernberg, 28 March 1946.

Dr. jur. Herbert KRAUS

Professor of Jurisprudence.

H0797 - 0043

(Page 35 fo orig.)

Filed April 30, 1946

SCHACHT Exhibit No. 15

Biennial Report of the Chief of Staff of the United States Army to the Secretary of War over the period 1 July 1943 to 30 June 1945

Excerpts

H0797-0044

SCHACHT Exhibit No. 15

Biennal Report of the Chief of Staff

of the United States Army to

the Secretary of War

over the period

1 July 1943 to

June 30, 1945

Pages 2/3

.....

No evidence has yet been found that the German High Command had any over-all strategic plan. Although the High Command approved Hitler's policies in principle, his impetuous strategy outran German military capabilities and ultimately led to Germany's defeat. The history of the German High Command from 1938 on is one of constant conflict of personalities in which military judgment was increasingly subordinated to Hitler's personal dictates. The first clash occured in 1938 and resulted in the removal of von BLOMBERG, von FRITSCH, and BECK and of the last effective conservative influence on German foreign policy.....

Page 12

.....

We have tried since the birth of our nation to promote our love of peace by a display of weakness. This course has failed us utterly cost us millions of lives and billions of treasure. The reasons are quite understandable. The world does not seriously regard the desires of the weak.

H0797 – 0045

SHACHT Exhibit No. 15

Weakness presents too great a temptation to the strong, particularly to the bully who schemes for wealth and power.

We must, if we are to realize the hopes we may now dare have for lasting peace, inforce our will for peace with strength. We must make it clear to the potential gangsters of the world that if they dare break our peace they will do so at their great peril.

This Nation's destiny clearly lies in a sound permanent security policy. In the War Department staff responsible there

I herewith certify that the above document is an exact copy of the translation of Biennial Report of Chief of Staff of the United States Army to the Secretary of War.

Nuremberg 12 April 1946

Dr. Jur. Herbert KRAUS

Professor of Juris prudence.

H0797-0046

(Page 38
of Orig.)

Filed April 22, 1946

SCHACHT Exhibit No. 16

SCHACHT, Dr. Hjalmar:

The end of the Reparations

21 - 30 thousand 1931

Published by Gerhard Stalling

Oldenburg i.O.

Excerpt.

This excerpt is relevant, as this passage proves that the interrogation applied to SCHACHT in the opening speech of [redacted] the prosecution in the posing of questions to SCHACHT [redacted] is based on the erroneous assumptions. The interrogator had erroneously reproached the defendant SCHACHT with having said that Germany could pay reparations only if she would receive back Upper-Silesia and the Corridor. Dr. SCHACHT had said in fact that the loss of Upper-Silesia and of the Corridor should be taken into consideration in fixing the amount of payments. On this mistaken interrogation rest the mistaken prosecution reproached that Dr. SCHACHT is supposed to have expressed intentions of annexction.

H0797-0047

SCHACHT Exhibit No. 16

SCHACHT, Dr. Hjalmar

The End of the Reparations

21-30 thousand 1931

Published by Gerhard Stalling, Oldenburg i.O.

Excerpt

Page 70 f

...With reference to German food distribution it is especially important that the import should be diminished and partly replaced by domestic production. Besides one must not overlook the fact that important agricultural surplus territories in Eastern Germany have been lost by surrender and that a large territory devoted almost exclusively to agricultural production has been severed from the remaining part of the Reich. Consequently the economic welfare of this part of the territory goes continually downhill and the Reich Government must give it continual assistance. Therefore appropiate measures should be agreed upon in order to eliminate these unfavorable conditions, which considerably impair Germany's ability to pay.....

---

* note - East Prussia

I herewith certify that the document printed above is a literal copy from Dr. Hjalmar SCHACHT, "Das Ende der Reparationen, 21-30 thousand, 1931," Published by Gerhard Stalling i.O.

Nuernberg, 25 March 1946

Dr.jur.Herbert KRAUS

Professor of Jurisprudence.

H0797 - 0048

(Page 40
of Orig.)

Referred to April 30

SCHACHT Exhibit No. 17

Excerpt from a telegraphic report of Ambassador DAVIES from MOSCOW about a conversation with SCHACHT of 20 January 1937

"This report has already been presented by the prosecution under No. L - III."

USA 630

H0797-0049

SCHACHT Exhibit No. 17

Excerpt from telegraphic report by Ambassador DAVIES from MOSCOW, dated 20 January 1937, of a conversation with SCHACHT.

*** SCHACHT expressed the greatest admiration for the extraodinary abilities and powers of President Roosevelt in domestic matters and expressed the hope that these powers might be used for the preservation and establishment of world peace. He stated the following; that the present condition of the German people was intolerable, desperate and unendurable; that he had been authorised by his Government to submit proposals to France and England which would

(1) guarantee European peace;

(2) secure present European international boundaries;

(3) reduce armaments;

(4) establish a new form of a workable League of Nations;

(5) abolish sanctions with new machinery for joint administration;

all based upon a colonial cession that would provide for Germany an outlet for population, source for foodstuffs, fats and raw materials; such cession of colonies to be by joint agreement of other powers and with colonies themselves; that France was surprisingly agreeablet thereto in principle and suggested that France approach England; that England

H0797 - 0050

flatly rejected the proposal; that he had tried to secure opportunity for informal discussions with the English Foreign Office but the overture was rejected.

SCHACHT earnestly urged that some such feasible plan could be developed if discussions could be opened; and that if successful would relieve European war menace, relieve peoples of enormous expenditures for armament, restore free flow of international commerce, give outlet to thrift and natural abilities of his countrymen and change their present desperation into future hope; that resulting therefrom the present artificial barriers of international commerce would be broken down and revision of currency control and other reforms would automatically follow.....

.....He intimated that armaments and the like were really trading stock to force a measure of justice upon realistic and selfish nations who had been enemies of his people.....

I herewith certify that the above document is a true and correct copy of the telegraphic report of Ambassador DAVIES of 20 January 1937.

Nuernberg, 13 March 1946

Dr.jur.Herbert KRAUS

Professor of Jurisprudence

H0797-0051

(Page 43
of Orig.)

Filed May 1, 1946

Schacht Exhibit No. 18

DAVIES, Joseph E;

Mission to Moscow

New York 1941

Excerpts

(Page 44
of Orig.)

Schacht Exhibit No. 18

Davies, Joseph E; Mission to Moscow

New York 1941

Excerpts

Page 106

LITVINOV, SPAIN, AND COLLECTIVE SECURITY

No. 156

Moscow, March 26, 1937

To the Honorable The Secretary of State

Spanish Situation; European Peace;
Soviet Participation In Armaments
Agreement.

Sir:

Pursuant to an appointment made, I called upon Commissar for Foreign Affairs Litvinov to present my respects before departure for the United States.

Pages 108/109

I then stated that the European situation in its elementals looked simple; and that it was difficult to understand why the statesmanship of Europe could not provide that England, France, Germany, Italy, and Russia should agree to preserve the territorial integrity of Europe and through trade agreements provide Germany with raw materials and thereby the assurance that she could live, which would relieve the peoples of Europe and the world of these terrific burdens of armament and the fear of catastrophic war. The prompt rejoinder was: "Do you think Hitler would ever agree to anything like that?" I said that I did not know, but that it was my opinion that there was a very substantial body of influential and responsible thought in Germany that such an idea would appeal to. Litvinov rejoined that he thought that might be so; that Schacht was of that type; he did not think they could prevail against Hitler and the political and military forces dominant in Germany.

H0797-0052

H0797-0053

Schacht Exhibit No. 18

Page 154

. . . . .

When I outlined the President's suggestion of limitation of armament to defensive weapons only, such as a man could carry on his shoulder, he almost jumped out of his seat with enthusiasm. It was, he said, so simple as to be the expression of genius. He thought it might possibly be done. He asked me, "Would you say these things to Hitler if an opportunity would be found?" I said, "Of course, I would be glad to." He said he thought it could be arranged. (See letter to the President.)

Well, we shall see! It is a test of whether there is a will for peace or whether the die is already cast and Hitler is on his way-irrevocably-to war.

Pages 158,159

Moscow, June 26, 1937

Dear Mr. President:

Following the line of our last discussions, I stopped off in Berlin enroute here. I find that Ambassador Luther did not return direct to Germany, but is returning via to Orient.

However, I did have a most interesting personal visit with Schacht. He talked with great frankness and deep feeling.

He said that the real cause of Europe's trouble was fear; that attempts to solve the problem through stabilization of currency, the removing of economic trade barriers, and the like were useful, of course, but would be futile in averting the catastrophe of European war, because these still did not remove the cause, i.e., fear of conquest or invasion, physically or economically.

I then stated to him that the President in conversation with me had analyzed the European situation and had considered that a solution might be found in an agreement among the European nations to a reduction of armaments

H0797-0054

Schacht Exhibit No. 18

to a sherrly defensive military basis; and this through the elimination of aircraft, tanks, and heavy equipment, and the limitation of armament to such weapons only as a man could carry on his back, with an agreement among the nations for adequate policing of the plan by a neutral state. Schacht literally jumped at the idea. He said: "That is absolutely the solution!" He said that in its simplicity it had the earmarks of great genius. His enthusiasm was extraordinary.

I asked him whether he thought the German government would consider any such plan. He stated confidently that it would.

I asked him whether he had seen Ambassador Luther since his return. He stated that he had not. I suggested that he get in touch with the Ambassador's dispatches at the Foreign Office, prior to his (Luther's) departure from Washington. He said that he would do so. He stated that he would explore this idea with his government and wished then to discuss it further with me.

If the parties really desire peace, here is the formula and the agency at hand. It can be explored with relatively little difficulty. If it can be made effective, then your plan will have saved European civilization. If either side balks, a possible interchange of letters between the President of the United States and the willing party would clarify the atmosphere and place the burden of responsibility for war where it belongs.

With assurances of my great admiration and warm regard, I am,

Respectfully,
JOSEPH E. DAVIES

H0797-0055

Schacht Exhibit No. 18

N.D.

In view of the fact that this was not an official, but purely a personal visit which I had with Schacht, I made no report of it to Ambassador Dodd.

Certified True Copy

Dr. jur. Herbert KRAUS

Professor of Jurisprudence

H0797-0056

Filed May 1, 1946

(Page 48
of Orig.)

SCHACHT Exhibit No. 19

Address made by Reich Bank President Dr. Hjalmar SCHACHT, charged with managing the affairs of the Reich Ministry of Economics, on the occasion of the centenary of the Geographic and Statistic) at Frankfurt-on-Main, on 9 December 193[illegible].

(Printed by the Reich Bank)

Excerpt.

H0797-0057

SCHACHT Exhibit No. 19

Address

made by Reich Bank President Dr. Hjalmar SCHACHT, charged with managing the affairs of the Reich Ministry of Economics, on the occasion of the centenary of the Geographic and Statistic) at Frankfurt-on-Main, on 9 December 1938.

Excerpt

Page 6.

.....Peace in Europe and with it probably also in the rest of the world will depend on the fact whether the densely crowded masses of Central Europe will be given an opportunity for existence or not.....

Page 11.

..... I naturally did not reflect on the separated territories in order to infer from it any warlike ideas of revenge, just as my whole personal attitude and my work is aimed at clarifying conditions in Europe by means of sensible peace measures.....

Page 22.

..... I am summing up. Germany's Lebensraum is too small for her population. She has made all efforts and certainly far greater efforts than any other nation to gain from the small area available to her what is necessary to guarantee her existence. In spite of all these efforts however the space available does not suffice. The lack of industrial raw materials is even greater than that in the field of nutrition. No trade political agreements of any kind can guarantee a secure standard of living for the German people. The allotment of colonial areas

H0797-0058

is the given solution of the existing difficulties.

I hereby certify that the document reproduced above represents a literal copy taken from the address of Reich Bank President Dr. Hjalmar SCHACHT charged with managing the affairs of the Reich Ministry of Economics which he made on occasion of the centenary of the Geographic and Statistic Society (Verein fuer Geographie und Statistik) in Frankfurt-on-Main, on 9 December 1936.

Nuernberg, 11 March 1946.

Dr. jur. Herbert KRAUS

Professor of Jurisprudence.

H0797-0059

Referred 12 May 1946

(Page 51
of Orig.)

SCHACHT Exhibit No.20

Record of the

Inner Ministerial Council of 12 May

1936 under the Chairmanship of GOERING

and in the presence of Dr. SCHACHT.

Excerpt.

(Already presented by the prosecution

under No. 1301 - PS.)

USA 123

H0797-0060

SCHACHT Exhibit No.20

Excerpt from the record of Inner Ministerial Council of 12 May 1936 under the Chairmanship of GOERING and in the presence of Dr. SCHACHT.

Page 9.

Minister Dr. SCHACHT .....

Dr. SCHACHT has emphasized again and again, that one must follow a cultural and legal policy, which will leave economy alone..... ....The Fuehrer has repeatedly emphasized in personal talks and cabinet meetings that the speed of rearmament must be kept up until the spring of 1936. This was agreed to and carried out .....

I herewith certify that the above document is a true correct copy from the record of the Inner Ministerial Counsil of 12 May 1936.
Nuernberg, 10 March 1946

Dr.jur.Herbert KRAUS

Professor of Jurisprudence.

H0797-0061

(Page 53
of Orig.)

Filed May 1, 1946

SCHACHT Exhibit No. 21

The Colonial problem of Germany

by Dr. Hjalmar SCHACHT

president of the Reich Bank

1937

(printed by the Reich Bank)

Excerpt

H0797-0062

SCHACHT Exhibit No. 21

The colonial problem of Germany

by

Dr. Hjalmar SCHACHT

President of the Reich Bank

1937

(printed by the Reich Bank)

Excerpt.

Page 6.

..... I say beforehand, so as to make it clear, that the colonial problem - now no more than before - is not for Germany a question of imperialism or militarism, but even today purely a question of economic existence. .....

Page 10.

..... Therefore as long as the colonial raw material problem is not solved, Germany will remain, in spite of all her love of freedom, a focus of unrest, which does not renounce the hope of having the colonial problem settled peaceably. .....

Page 13.

..... Whoever wants peace will never approve of such expedients as represented by the blocking of natural treasures of the world from great nations. .....

H0797-0063

1)

Page 17.

... Great Britain, France, Russia and the United States must admit into their circle Germany, Italy and Japan under stipulations adapted to the present conditions of the world and must acknowledge as justified their proportional participation in the colonial sources of raw materials. Chaos and catastrophes will break out over us - if the haves among the powers do not share somehow with the have-nots... ...Every Statesman will admit in private conversation, that Germany, Italy and Japan require space into which their human surplus can overflow, and from which they will be able to derive those raw materials and vital necessities which nature has denied them in their own country. But the great have powers - Great Britain, France, the United States and Russia - are not willing to grant anything but the crumbs falling from their colonial table, to their less favored brother nations...

Page 19.

...The German colonial problem is no imperialist problem, no purely prestige problem, but purely and simply a problem of economic existence. But for this very reason the future of European peace depends on it....

Note 1) These sentences reproduced from page 17 are quotations by Dr. SCHACHT from an essay of Colonel Edward M. HOUSE.

H0797-0064

SCHACHT, Exhibit No.21

I hereby certify, that the pages reproduced above are a literal transcript of the essay of Dr. Hjalmar SCHACHT on the subject of Germany's colonial problem.

Nuernberg, 12 March 1946

Dr. jur. Herbert KRAUS
Professor of Jurisprudence

H0797-0065

(Page 57 of Orig.)

May 1, 1946

Schacht Exhibit No. 22

Memorandum about a conversation between
Ambassador BULLITT and
Dr. ScHACHT
Enclosure 5 to telegram No. 1267
of 23 November 1937
of the Embassy of the
United States in Paris.
(Already presented by the prosecution
under No. L 151)

USA 70

H0797-0066

SCHACHT Exhibit No. 22

Memorandum about a conversation
between Ambassador BULLITT and
Dr. SCHACHT.

Enclosure 5 of telegram No. 1267 of 23 November 1937 of the Embassy of the United States in Paris.

Excerpt.

I had a conversation with Doctor Hjalmar Schacht which was not altogether without interest. Schacht began by saying that he regretted greatly that nothing had come of his two visits to Paris in the course of which he had attempted to establish the basis for a Franco-German rapprochement. He said that he had found Blum extremely reasonable with regard to the colonial question. He then went on to speak of the absolute necessity for doing something to produce peace in Europe before the outbreak of war toward which the Continent was drifting. He prefaced his remarks by saying that he himself today was " completely without influence on that man, " meaning Hitler. He seemed to regard himself as politically dead and to have small respect for "that man." He said that the one way he could see to peace was through direct negotiations between France and Germany."

I herewith certify that the above document is a true and correct from the memorandum about a conversation between Ambassador BULLITT and Dr. SCHACHT of 23 November 1937

Nuernberg, 11 March 1946

Dr. jur. Herbert KRAUS
Professor of Juris prudence.

H0797-0067

(Page 59
of Orig.)

Referred to May 2

Idid May 3, 1946

SCHACHT Exhibit No. 23

Letter by Dr. SCHACHT to
the co-defendant GOERING
of 3 November 1942.
In 3700 PS dated 3 November
without the year being given.

USA 180

A copy of this letter has been introduced
in court by the prosecution under 3700PS.
This copy does not bear the year. However
it can be construed from the contents of the
letter and other circumstances that it
originates in the year 1942.

H0797-0068

(Page 60
of Orig.)

SCHACHT Exhibit No. 23

Letter by Dr. SCHACHT to the c6-defendant GOERING of 3 November 1942

At present Lindow-Mark, 3 November

Dear Reich Marshal,

By way of inter-office communication I received for cognizance the draft of your decree concerning the conscription of 15-year-old students for the Auxiliary War Service. As you know, since the end of 1937 I have been only nominally a Reich Minister Without Portfolio. There have been no cabinet meetings since 1938. I have no longer been invited to any meetings of Ministers. I live in the country, and in complete retirement. For several months, I have even been expressly forbidden to listen to foreign broadcasts, so that my entire knowledge of the military, economic and political situation comes from no other source than that available to any other thinking German, whose numbers however, should not be underestimated, even in the so-called rank and file. Since I am not a member of the Reich Defense Council, I am under no obligation to participate in the compilation of this draft. Although I am absolutely free of any responsibility, my conscience and the wish not to be guilty of any negligence are driving me to write these lines.

May I say in advance that I have always maintained before responsible authorities that we were not sufficiently prepared economically for a long war.

H0797-0069

SCHACHT Exhibit No. 23

But anybody familiar with the Anglo-Saxon mentality was bound to know that the war would be a long one, after England made known her decision to regard a German attack upon Poland as a casus belli. In the beginning of 1940, I proposed to the Fuehrer that I go to the United States in order to attempt to slow down America's assistance to England in the matter of armaments, and in order, if possible, to prevent America becoming involved in the war more deeply. The Minister of Foreign Affairs refused this offer, which the Fuehrer viewed sympathetically. A further suggestion which I made to the Fuehrer in the fall of 1941, the highpoint of our successes, was without effect.

It may be militarily necessary to conscript the 15-year-olds, but it will be a heavy burden on the fighting morale of the German people. The facts, as the German people see them, are as follows:

1. The original promise of a short war has not been fulfilled.

2. The promised quick victory over England by the Air Force did not materialize.

3. The public statement that Germany would remain free of enemy air raids has not been fulfilled.

4. The repeated announcements that the Russian resistance was definitely broken have been proved to be untrue.

5. Allied supplies of arms to Russia and the manpower reserves of Russia have, on the contrary, been sufficient to bring continuous heavy counter-attacks against our Eastern front.

H0797-0070

SCHACHT Exhibit No. 23

6. The original victorious advance into Egypt has been halted after repeated attempts.

7. The landing of the Allies in North and West Africa, declared impossible, has nevertheless been accomplished.

8. The extremely large amount of shipping space which was required for this landing has shown that our U-boats, in spite of their great successes, did not suffice to prevent this movement.

In addition, any person of German extraction can see the reductions in the civilian supplies, in the traffic, in armaments, and in the availability of manpower. The conscription of the 15-year-olds will increase the doubts concerning the termination of this war.

I am taking precaution of forwarding this letter through State Councillor Gritzbach, under seal, in order to prevent misuse.

Heil Hitler!

(Signed) Dr. Hjalmar SCHACHT

I herewith certify that the above document is an exact and true copy of Document 3700-PS.

Nuernberg, 27 March 1946

Dr. jur. Herbert KRAUS

Professor of Jurisprudence

H0797-0071

(Page 63
of Orig.)

May 1

SCHACHT Exhibit No. 24

Memorandum of the

Reich Bank Directorate to

Adolf HITLER of 7 January 1939

(Already presented by the

prosecution under No. E6-369)

Excerpt

***

NCA 631

H0797-0072

SCHACHT Exhibit No. 24

Memorandum of the Reich Bank Directorate

to Adolf HITLER

of 7 January 1939

Excerpt

....In regard to investments in stock on hand to which must be added the stock for armaments, the price increases are due to the excess of orders and the pressure for quick production.....

....The currency however is endangered to a decisive degree by the ~~unlimited~~ public expenditures. The unlimited growth of the government expenditures nullifies each attempt for an orderly budget, it brings the government finances to the verge of bankruptcy despite a tremendous increase in taxes and it undermines the Notenbank and the currency. There is no "recipe" or system of financial or money technic, regardless how ingerious or well thought out it may be, there are no organization or control measures which would be effective enough to prevent the disastrous effects on the currency caused by a policy of unlimited expenditures. No note issuing bank is capable of maintaining the currency standard against an inflationary policy of expenditures by the government...

....While an increase of public expenditures during the two great actions in Austria (Ostmark) and Sudetenland was a matter of necessity, the fact that after the termination of these actions a reduction of the expenditures is not noticeable, makes it now our imperious duty to pay attention to the consequences on the currency, because all indications are that a further increase of the expenditures is planned.....

H0797-0073

SCHACHT Exhibit No. 24

....The undersigned directors of the Reichsbank agree that, while they have gladly cooperated to attain the great goal, it is now time to put a stop to it....

The Reichsbank Directorate

Signed: SCHACHT, DREYSE,
VOCKE EHNHARD, PUHL,
HUELSE, KRETZSCHMANN, BLESSING.

I herewith certify that the above document is a true and correct copy from the Memorandum of the Reichsbank Directorate to Adolf HITLER of 7 January 1939.

Nuernberg, 11 March 1946.

Dr. jur. Herbert KRAUS
Professor of Jurisprudence

H0797-0074

(Page 66
of Orig.)

Ind May 1, 1946

SCHACHT Exhibit No. 25

Speech of Dr. Hjalmar SCHACHT, Reich Bank President and acting Reich Minister for Economy at the Eastern Fair in KOENIGSBERG on 18 August 1935.

(Already presented by the prosecution under No. EC 433.)

Excerpt.

H0797-0075

SCHACHT Exhibit No. 25

Speech by Dr. Hjalmar SCHACHT, Reich Bank President and acting Reich Minister for Economy at the Eastern Fair in KOENIGSBERG on 18 August 1935.

(Already presented by the prosecution under No. EC 433.)

Excerpt.

Page 5.

..... We wish to emphasize that self-esteem demands the esteem of others, that the assertion of our characteristics does not mean the belittling of the characteristics of others, that the recognition of foreign achievement can only improve our achievement, and that economic competition can only be won by exemplary performance, and not by force or cunning. .....

Page 9.

..... Those are the people who heroically smear window panes in the middle of the night, who brand every German who trades in a Jewish store as a traitor, who condemn every former Free-Mason as a bum, and who, in the just fight against priests and ministers who talk politics from the pulpit, cannot themselves distinguish between religion and misuse of the pulpit. .....

H0797-0076

(Page 68
of Orig.)

SCHACHT Exhibit No. 25

Page 10.

..... As always, according to the stage of legislation as well as several declarations of the Fuehrer's deputy, the Minister of the Interior and the Minister for Public Enlightenment and Propaganda, (not to mention the Ministry of Economics), Jewish enterprises are permitted to carry on their business activities. .....

Page 11.

..... No one in Germany is deprived of his rights. According to Point 4 (four) of the National Socialist Party program, the Jew can neither become a citizen or a fellow German. But Point 5 (five) provides legislation for him, that means, he must not be under arbitrary action, but under the law. .....

I herewith certify that the above document is a true and correct copy from the KOENIGSBERG speech of the defendant SCHACHT of 18 August 1935.

Nuernberg, 18 March 1946

Dr. jur. Herbert KRAUS
Professor of Jurisprudence.

H0797-0077

(Page 69
of Orig.)

Filed May 2, 1946

SCHACHT Exhibit No. 26

Document on the dismissal of the
Reich Minister Dr. SCHACHT dated
22 Jan 1943

H0797-0078

SCHACHT Exhibit No. 26

Document on the dismissal of the Reich Minister Dr.SCHACHT

dated 22 Jan 1943.

Certified Copy

The Reich Minister and Chief
of the Reich Chancellery

RK. 21. EG. Secret

Berlin W8, 22 January 1943
Vosstr. 6

at present APO addresses are to be addressed without exception to the address in Berlin.

To the
Reich Minister Dr. SCHACHT

Berlin - Charlottenburg
Badenallee 5.

By my own hand.

My dear Dr. SCHACHT!

The Fuehrer has decided, considering your whole attitude during the present fateful fight of the German Nation first of all to dismiss you from your office as Minister of the Reich.

By order of the Fuehrer I have the honor to present to you the enclosed document.

My personal consultant Ministerial Councillor, Dr. LAUE, has been delegated personally to submit to you this communication with the enclosure.

Heil Hitler!

Yours very truly

signed: Dr. LAMMERS

I hereby certify that the document reproduced above represents a literal copy of the signed original.

Berlin, 26 September 1945

Notary Public Stamp

signed: Dr. Rudolf DIX

Notary in Berlin.

Cost
fee 2.--
sgd. R.DIX
Notary.

H0797-0079

(Page 71
of Orig.)

SCHACHT Exhibit No. 26

I Herewith certify that the document reproduced on the preceding page is a literal attested copy of the dismissal document of the Minister of the Reich Dr. SCHACHT dated 22 Jan 1943.

Nuernberg, 10 March 1946.

Dr. jur. Herbert KRAUS

Professor of Jurisprudence

H0797-0080

Filed May 3, 1946

Schacht Exhibit No. 27

Address of Dr. Schacht at the celebration meeting of the Reich Economic Chamber on 22 January 1937.

(Published in the series of articles "German Industrial Newspaper" in the (Deutsche Wirtschaftszeitung) Number 3, Berlin 1937).

Excerpt.

(Page 73 of orig.)

Schacht Exhibit No. 27.

Address of Dr. Schacht at the celebration meeting of the Reich Economic Chamber on 22 January 1937.
(Published in the series of articles in the German Industrial Newspaper (Deutsche Wirtschaftszeitung), Number 3, Berlin 1937.)

Excerpt.

Page 43.

... No economy can work and prosper in any State which is not equipped with quite firm principles of law and order (vigorous applause). Nothing disagrees so badly with industry as arbitrary actions which cannot be foreseen in some way or other or interference which is founded on to some unknown factor which are not anticipated in the legislation. (Renewed applause.)

I certify herewith that the above document is literal rendering from the address of the defendant Schacht at the celebration meeting of the Reich Economic Chamber on 22 January 1937.

Nuernberg, 15 March 1946.

Dr. jur. Herbert Kraus
Professor of Jurisprudence.

HO797-0081

H0797-0082

(Page 74
of original)

Filed May 1, 1946

Schacht Exhibit No. 28.

Extract from Adolf Hitler's Reichstag

Speech on 20 February 1938.

(Printed in Documents of German Policy

(Dokumente der Deutschen Politik)

Volume VI, part. I, 1939.

Published by Paul Meier - Benneckenstein.)

H0797-0083

Schacht Exhibit No. 28.

E X C E R P T:

from Adolf Hitler's Reichstag Speech on 20 February 1938. (Printed in Documents of German Policy (Dokumente der Deutschen Politik) Volume VI, part. 1, 1939. Printed by Paul Meier - Benneckenstein).

P a g e 35.

When I therefore decided after the departure of Field Marshal von Blomberg, now to exercise directly my authority of command over the three branches of the Wehrmacht and to place the Wehrmach Office as Supreme Command of the Wehrmacht under me personally, I am hoping that we shall thus arrive at the strengthening of our military means of power in the shortest possible time, which the general circumstances prevailing today would indicate.

I certify herewith that the document reproduced above is a literal rendering from Adolf Hitler's Reichstag Speech on 20 February 1938

Nuernberg, 15 March 1946.

(Sgd.) Dr. jur. Herbert Kraus
Professor of Jurisprudence.

H0797-0084

(Page 76
of Orig.)

Filed May 3, 1946

Soviet Exhibit No. 29

H. B. GISEVIUS:

"To the bitter end" ("Bis zum bittern Ende")

PRETZ and WASMUTH Publishers

A. G. Zurich

Volume I 1946

Excerpts

H0797-0085

Schacht Exhibit No. 29

HANS BERND GISEVIUS

To the bitter end.

PRETZ and WASMUTH Publishers A. G.

Zurich

Volume I 1946

Excerpts

Page 150

. . . So in the first year of the revolution to take just this one example the Reich Cabinet is still the constitutional organ for decrees. In the second year it is permitted to deliberate once in a while. In the third year it is heeded once in a while. From the fourth year on, the Fuehrer only honors "his" ministers with reports. The last communication of that kind takes place on 4 February 1938.

Page 317

. . . During the search I had gone astray in different camps. . . . Into the Schacht Ministry, where encroachments, economic raids or plunderings were actually still called by their right name with refreshing clearness--but Schacht's value was already so low on the black exchange that no other Minister would condescend to act in unison with this annoying mischief-maker.

Page 330

. . . Schacht and Himmler were like cat and mouse. The factual contrasts between them were insurmountable, unfriendly remarks flew back and forth and anyone who knows Schacht, will understand, how unwillingly he restrained his sharp tongue during such frictions. He uttered

. . .

H0797-0086

he uttered his sarcasms in series which naturally came to the ears of the Gestapo. So it could not be escaped that HIMMLER plotted revenge and that he providently had material collected against his opponent. SCHACHT feared that the Gestapo had even installed a microphone in his house, in order to shadow his statements within his family circle. Since I had gradually become somewhat of an expert in Gestapo matters and people preferably consulted me in things like these, he had me asked via Herbert GOERING, whether and how he could be protected ("abschirmen") from the microphone.

Already on the following day I reported to HITLER's Minister for Economics with a microphone expert of the Reich Postal Administration. We went over the whole apartment, room by room. SCHACHT spiced our criminal efforts with his sarcastic comments on contemporary history. Actually we found more than we were looking for. The cautious Gestapo had not only built a microphone into the house telphone, but had also hired a female servant in the house as informer who had to shadow the other habits of the ministerial enemy of the State. But the servant had been so indolent that she had the listening-in device installed in her private room, which was discovered with relative ease.

Besides, already during the first talk - we managed to retire for a while and to whisper privately - the contrast found clear expression which divided me from SCHACHT from then on for many years in the judgment of the situation or rather, in the question of the way to be followed. With that frankness which he always

H0797-0087

SCHACHT Exhibit No. 29

accepted with an open mind, I based my thesis that, if the economic and consequently the political crisis was unavoidable, anyhow, it would be better to bring them about as quickly and as consciously as possible. "Bring about the inflation personally, then you will at least keep the law of action in your hands, then you and not the others will determine the date of the great collapse, then you together with the generals can make the necessary provisions before the reins ship away from all of you." I can still hear the answer as if it were today: "The difference between us consists in the fact that you desire the catastrophe, and I do not."

At that time SCHACHT was still firmly convinced that, together with NEURATH, GUERTNER, SCHWERIN and SELDTE, he could draw the War Minister BLOMBERG over to his side and could enforce a moderate course. How greatly he was disappointed in this, became apparent to him only during the FRITSCH crisis.

Page 404

My meetings with OSTER, GOERDELER or SCHACHT, to mention only these, take place with appropriate precaution. We are writing only the beginning of 1938. Nevertheless, we do not appear together in public, we telephone on principle only from slot machines and under assumed names, the doormen and the drivers of the Reich Bank or of the Supreme Command of the Wehrmacht will not know my true name for many years. That is annoying; because to maintain camouflage for a longer period, requires more discipline than one usually imagines. Now great the temptation is at times

H0797-0088

to talk from one's own telephone for reasons of speed. But a camouflage discovered is a thousand times worse than none at all.

Page 429.

....SCHACHT was again to be appointed President of the Reich Bank. His four years had expired. Twice he sent away LAMMERS with the document of appointment, because the conditions he made had not been met. (The point in question was the amount of credit in billions to be granted by the Reich Bank to the Reich Treasury.) When LAMMERS had to leave for the third time, SCHACHT gave him a personal message to HITLER. He said the Fuehrer knew that he, SCHACHT, often held his own opinion, also that he at times made open criticism. These were approximately the same offenses, for which FRITSCH had been so sharply rejected. He, SCHACHT, now asked HITLER to hand over his new appointment to him only under the one condition that he would guard him against similar defamatory procedure, as recently befell the General....

Page 438.

....Since SCHACHT had a conference afterwards and therefore could not come back to the Reich Bank anymore to inform me, we agreed that he would simply have GUERTNER call BRAUCHITSCH from his place ...

Page 439.

....For good or ill, I therefore once more rode back to the Reich Bank, although SCHACHT did not want to return there any more. But look, he had dropped in for a short time, after all, and left me a

....

H0797-0089

note. How difficult is the technique of news transmission in such times of crisis, in spite of the most modern telephone installation! The content was typical; Mr. GUERTNER was delighted to have a discussion, however he had to be especially careful on that day and therefore expected BRAUCHITSCH to approach him...

I hereby certify that the document reproduced above is a literal reproduction from H.B. GISEVIUS': "To the bitter end", PRETZ and WASMUTH Publishers A.G., Zürich, Volume I, 1946.

Nuernberg, 20 March 1946.

Dr.jur. Herbert KRAUS

Professor of Jurisprudence.

H0797-0090

Filed May 1, 1946

(Page 82
of Orig.)

SCHACHT Exhibit No. 30

Speech of the Reich Bank President and Reich Minister of Economics Dr. Hjalmar SCHACHT at the registration and (separation?) (Freisprechung) celebration of chamber of industry and commerce and the chamber of trade in the Sportpalast at Berlin on 11 May 1937. (published by the Reichbank) Extract.

H0797-0091

(Page 83
of Orig.)

SCHACHT Exhibit No. 30

Extract from the speech of Reich Bank President and Reich Minister of Economics Dr. Hjalmar SCHACHT at the registration and (separation?) (Freisprechung)celebration of the chamber of industry and commerce and the chamber of trade in the Sportpalast at Berlin on 11 May 1937.

Page 12.

" No community and especially no State can prosper which is not built up on law, order, and discipline. Right and law are the prerequisites of all discipline..."

Page 13.

" Therefore you should not only respect right and law yourself but you should oppose injustice and lawlessness wherever you encounter it..."

I herewith certify that above document is a true copy from the speech of the defendant SCHACHT of 11 May 1937.

Nuernberg, 10 March 1946

Dr. jur. Herbert KRAUS

Professor of Jurisprudence

H0797-0092

(Page 84
of orig)

Filed May 2, 1946

SCHACHT Exhibit No. 31

Letter by Dr. Hjalmar SCHACHT
TO Mr, FRASER of
16 October 1939

H0797-0093

SCHACHT Exhibit No. 31

Letter by Dr. Hjalmar SCHACHT

to Mr. FRASER

of 16. October 1939.

Duplicate

Berlin, Oct. 16th. 1939.

Dear Mr. Fraser,

Last week I heard from Hechler that you had cabled to the BIS about my present activities. I have asked Hechler to tell you that I was still formally a Reichsminister but that I had no activities and that I hoped to be useful at a given time. Ever since I have thought a great deal whether I could help to prevent the disaster which is threatening civilization from the present conflict. When suggesting something by this letter to you I would like to emphasize that I have not talked about the following to anyone and that I am writing entirely on my personal responsibility. Whatever I am going to say is therefore the personal idea of an individual and can and must not compromize anyone else.

The underlying feeling which I have is, that more than anyone else the President of the United States could and should do something. It is very difficult to expect an initiative for negotiations to come from one of the belligerants. On the other hand it is certainly true, that the War of 1914-1918 had been won by the Americans, that the armistice was based on the 14 points of President Wilson, a "democratic" President, and that America was not able to impose a Peace Treaty on the lines of those 14 points. The only conclusion which she drew therefrom was that she rejected the proposed treaty

H0797-0094

and left Europe alone. Personally I believe therefore that America should try to achieve what she failed to achieve in 1919, because it is perfectly clear that whatever has happened since, has its roots in the unfortunate Versailles Treaty. A President who will bring about a just and lasting peace will become the savior of the world. Now I know very well that President Roosevelt has endeavoured very much to prevent a new war and I admit that he may feel rather disappointed about the answers or non-answers which he got from this side. But all this should not prevent a responsible and most leading statesman from looking out for any possibility of help. May be that an official initiative from the Presidents side may not be feasable and certainly nothing should be done which would hurt the prestige of the President. But what I have in mind is some private initiative backed in a certain way by the President, in order to gain time and to find an approach to more official talks. My feeling is that gaining time will help a great deal at the present moment.

There are people who think it might be too early to discuss definite plans before certain conditions have taken place. I am starting from another point. My feeling is that the earlier discussions would be opened the easier it will be to influence the development of certain existing conditions. I feel certain that the time is not too far off when it will be most useful to have definite ideas about the future solution. None of the Belligerants, whatever events may arrive, will disarm before knowing

H0797-0095

that the present conflict is to be followed by a just and noble peace instead of a dictate. Such certainty cannot be obtained by public speaches of the belligerants, because we have seen too many broken promises during these last two decades. To overcome the existing state of distrust a neutral plan must be

H0797-0096

elaborated beforehand, which will certainly impose sacrifices to both parties but also offer very clear advantages and which will give to the whole world the conviction of a peace tolerable by everybody and lasting for more than one generation. I feel to be able to contribute to such a plan about which I have thought a great deal and which has kept me busy for years.

From all these feelings, thoughts and deliberations the following suggestion has sprung up; You invited me very kindly early this year to come over to America and lecture somewhere. At that time it was impossible for me to accept, but I accepted in principle. I wonder whether it would be possible now to bring me over for the same purpose in order to lecture about say "World economy in war and peace times". If it would become known that I was going over, the more fact might raise a lot of combinations, rumours and hopes which all might contribute to defer fateful happenings. Once being over personal conversations may help to find a way out and prevent greater disaster.

Of course you could not invite me without the agreement of your Governemnt and I could not go without the agreement of My Government. But it is just this fact which would underline the importance of the visit. Now I do not know how your President would react and I must leave this to you, I neither know how my Government would react. My personal position is that I am a formal member of the Cabinet, that I have been removed from of-

H0797-0097

 SCHACHT Exhibit No 31

ficial influence but that I have certainly not lost their respect. Therefore it might be difficult for them to reject any suggestion of the above kind.

H0797-0098

SCHACHT Exhibit No. 31

As to the procedure to be followed, my thoughts are these; You should send me a cable signed by you and conveniently by others, inviting me on behalf of some important non-political Institute to come over and lecture about "world economy in war and peace times", as I had in principle promised to you early this year. The invitation should be added by a statement that the U.S.A.President had been informed about and agreed to such invitation and that the President expects me to pay him my respects when being over because he had known me so well. It might further be useful if the invitation and the accompanying circumstances as above would be communicated by the White House or the Secretary of State to our Chargé d'Affiars in order that he might inform our Government. After having received the invitation I would then ask my Government to agree. You might further think it useful to privately inform some of our mutual friends. On the other hand everything has to be avoided what could prejudice the free decision of my Government, because it must be avoided to embarrass anyone. It must therefore be understood that the contents of this letter must remain strictly confidential.

If you agree to my suggestion it would of course be of the highest importance to act as quickly as possible, before anything irrevocable might happen. If your answer would be to the positive then no information to me besides the invitation is necessary. If however your answer is negative or if you want some further information please cable to Hechler Basle with whom I shall arrange to pass on any message from you.

H0797-0099

(Page 89
of orig.)

SCHACHT Exhibit No. 31

Please give my kindest regards to all my friends over there and believe me, dear Mr. Fraser, to be with all good wishes and kindest regards

very sincerely

Yours

(sgd.) Dr.Hjalmar SCHACHT

I herewith certify that the document on the above pages is an exact copy of the letter by Dr. Hjalmar SCHACHT to Mr. FRASER of 16 October 1939.

Nurnberg, 3 Apr. 1946

Dr. Jur.Herbert KRAUS
Professor of Juris prudence.

H0797-0100

Submitted
May 2, 1946
Objected to and
withdrawn.

SCHACHT Exhibit No. 32

" How Dr. SCHACHT thought " ,

Article from the "Basler Nachrichten "

of 14 January, 1945.

H0797-0101

 SCHACHT Exhibit No. 32

"How Dr. SCHACHT thought"

Article from the

"Baseler Nachrichten"

of 14 January, 1946.

Dr. Hjalmar SCHACHT, the former President of the Reich Bank and Reich Minister of Economics, today is sitting in the dock for war criminals in Nuernberg. Four years ago he stayed at one time for a while in Switherland ad had at the time a long conversation with an American national economist, professor at one of the largest universities in the USA, which the partner in the conversation summed up in a memorandum the same evening.This has now been made available to us in the English text and in a German translation. Under the present circumstances it still seems to us to interesting, that we do not wish to withhold the German version from our readers.

The Editor

Dr. SCHACHT was very critical towards the National Socialist system of government and said: "The Fuehrer exercises an absolute personal dictatership which can be compared only with the regime now prevailing in Russia. For example, before an important decision is taken and made public, a ministerial council is by no means held. A minister, such as Dr. SCHACHT himself, is simply summoned to the Fuehrer in order to be informed about an already completed "Government Declaration", the contents of which the minister in question, despite the fact that he was a member of the so-called government, were completely unknown to him and which

H0797-0102

were elaborated without any cooperation on his part.

All decisive acts in the field of foreign politics, as for example the "Anschluss" of Austria, the occupation of Prague and so forth, were brought in the described manner to the attention of the individual ministers of the so-called "Government", while the sole author of the so-called "Government" declaration" is the Fuehrer himself, or those of his advisers who are not members of the government. The ministers are entirely deprived of political power, they are merely specialists in their particular field. Similarly, the so-called "Reichstag", the members of which are nominated by the Fuehrer, lacks all political significance; its only function is to accept and approve the "Government declaration". Even Turkey has a Parliament that has greater power, inasmuch as it has elected the successor of KEMAL ATATURK by ballot. HITLER, on the contrary, himself designated his successor. Even the Fascist system in Italy is more liberal than the Nazi regime, because there exists the "Grand Council of Fascism", in which after all discussion of government measures still is possible to a certain extent, and where even opposition to the view point of the Duce arises. Nothing of the kind in Germany. HITLER is the only fount of political life in Germany. There is a great danger in such a system, "added Dr. SCHACHT", because the total absence of free intellectual forces and independent intellectual activity in the background leads to a total solitude and isolation of the supreme power. There is no intellectually fertile soil under the Fuehrer. But it is evident, that in the

H0797-0103

SCHACHT Exhibit No. 32

lom, run it is impossible that everything should spring from a single mind, even if it were that of a genius."

In regard to the race theory of the Nazis, Dr. SCHACHT explained that it was plain nonsense. He said: " From the ethnological viewpoint the German people is a mixture. Racial purity, even if it was possible, would moreover be of disadvantage for Germany, because the Slavs are a strong and healthy element within the German nation."

Dr. SCHACHT, admitted however, that in Germany, as in other countries, there exists a Jewish problem the solution of wich is necessary. "But," he added," the National-Socialist solution is no solution. It is an injustice which is done to the Jews, and for which reparation must be made in some way or other. It is egotistical ruthless in regard to the interests of other nations. Every nation has to bear itself its share of the "Jewish burden". Moreover the methods of the Nazis are brutal and barbarous. The only real solution of the Jewish problem would be the creation of a Jewish state. There is enough room for that in the colonial possessions of the European powers." Dr. SCHACHT added that Sumner Welles, whom he called a highly honest , respectable, well-disposed and intelligent man though unfortunately somewhat weak and of little influence was of the same opinion as he himself in regard to the Jewish problem.

Particularly interesting, because in a certain sense prophetic, were Dr. SCHACHT'S remarks about World War II. He said: "This war is absolutely senseless.It should never have been started and it should be stopped as soun as possible, for it cannot solve a single one of the problems.

H0797-0104

which are at the bottom of the political crisis in Europe. Quite to the contrary, these problems will continue to exist and will become only more acute after this war, whatever the outcome of it, and the longer the war lasts the more difficult it will be to solve those problems. For these problems are, according to their true nature, not political, but social and economic, and therefore cannot be resolved by war, which is a political medium "par excellence". Even if Germany should win this war (which Dr. SCHACHT did not seem to believe) it would not mean toomuch for Germany herself. For even if she ruled over the whole of Europe and a considerable part of Africa, the critical difficulties from which Germany herself and the rest of Europe are suffering could not be permanently removed. The reason is that these difficulties have their roots in the fundamental fact, that 20 % of the food supply and raw materials are lacking in Europe which are necessary to keep the industrial and agricultural systems of the densely populated European continent going and to provide adequate supplies for its peoples. But they would still be lacking, even if the German troops were standing from the Cape of Good Hope to the North Cape. For these 20 % can be procured only from the whole world, America, Asia and Australia. Yet nobody can dream of conquering all these territories. Their "inclusion" (Einbeziehung) must be accomplished through international commerce, through a real understanding of the situation, peaceful negotiations and economic agreements. Such an understanding should be all the more possible, that 20 % of the commodities lacking in Europe.

H0797-0105

are superabundant in the other continents. Europe cannot conquer these continents rich in raw materials, and America would gain nothing by conquering Europe. The European situation will remain precarious, its political unrest will further continue as long as the above mentioned economic basic problem of Europe, its fundamental lack of vital materials are not solved or, at least, made less acute by sufficient impertations from the surplus of other continents. It is clear that this is a question to be settled by an adequate arrangement of international trade on a universal scale, not one of military victories and territorial conquests".

Dr. SCHACHT further added: "If the big powers succeed in putting a stop to this war before it is too late and in bringing about a peaceful world order resting on real understanding and on a practical solution of the fundamental problem here discussed, life everywhere will gradually become easier and freer, the political regimes will become more liberal, whatera name they may officially bear. If on the other hand the war lasts too long, the destructions continue and the decisive problem is not solved, in that case the difficulties will become quite insoluble and general chaos willbe the fate of Europe, whoever wins the war. And no amount of talk about universal entroduction of democracy will be able prevent the spreading over the whole of Europe of unfree, despotic and propagandistic compulsory forms of mass domination of various shades. This prospect is all the more serious because of the fact that yet another danger

H0797-0106

threatens to arise for Europe from a protractor war. American progress in natural sciences, technology, production technique, and material development will leave Europe far behind, all the more as the growing shortage, the poverty of resources of all kinds, and the absence of free intellectual activity and of free economic initiative will contribute to slow down the corresponding development in Europe and leave it limping far behind America." Dr. SCHACHT added that his remark about the 20 % of food and raw materials lacking in Europe for the common welfare, while they represent a surplus in other parts of the world (parts of America, Africa, Asia, Australia under British, American, Dutch, and French rule) was not an arbitrary estimate or guesswork, but was based on reliable statistics and exact calculations.

From Dr. SCHACHT's viewpoint it was only logical to recommend in 1941 that an attempt should be made to bring about as soon as possible a contact between the belligerent nations. True, he knew that negotiations between official representatives of the governments in question were unpossible at that time. He therefore proposed that private, but influential and well-disposed men, aware of the fundamental economic problem underlying the European crisis should meet in a neutral country, provided its Government agreed, to clarify this problem and to discuss it as objectively as possible, the purpose of this being to prepare the end of the war

H0797-0107

and a reasonable solution of the difficulties. " this must", said Dr. SCHACHT, " take place with the participation of representative men from the United States. This must take place before America enters the war and before Russia participates in the war, for her participation in the conflict would still further complicate the postwar problems." Moreover, Dr. SCHACHT believed that Russia would not enter the war if she were not attacked by Germany. But then, he said, she would become a great danger for Europe. For she would not rest until it had won the Persian Gulf, the only place the possession of which really solves Russia's old problem of a satisfactory free access to the world's oceans. Dr. SCHACHT believed that even an invasion of England would not end the war; for even in this case the United States would fight on. Dr. SCHACHT regretted that ROOSEVELT, whom he respected and considered a great statesman and a clever politician, was pursuing a policy which Dr. SCHACHT called a "One-way policy", a policy without compromise, which stakes everything on one card (England's victory) and does not have any way open to mediation and agreement. "This is all the more to be regretted", said Dr. SCHACHT "as ROOSEVELT is the only man in the world who would be able and powerful enough to cope with the difficulties and bring about a sensible arrangement".

Asked why then - in spite of his opposition to the Nazi regime - he placed his co-operation at the regime's disposal in the field of finance, Dr. SCHACHT answered: "It was my duty to serve the German people. Under the existing

H0797-0108

SCHACHT Exhibit No 32

regime and in the prevailing international situation, particularly in the sphere of economic relations and international trade, there was no other way to follow than the one I took. Even if the system was execrable and wrong, I tried, within the limits given, to do my best in the interest of the German people. But now I really have no more to say; I am only a minister "without portfolio" and practically a private person."

I hereby certify that the document transcribed on the preceding pages is a true rendering of the article from the "Baseler Nachrichten" of 14 January 1946, "How Dr. SCHACHT thought."

Nuernberg 4 April 1946

Dr. jur. Herbert KRAUS

Professor of Jurisprudence

H0797-0109

(Page 99
of Orig.)

Filed May 3, 1946

Schacht Exhibit No. 33

Letter and enclosure by RICHARD NORTON to the Treasury Solicitor of 15 November 1945. (This letter has been forwarded by the prosecution to the defense of the defendant SCHACHT, and has been returned to the former after copying on 29 November 1945.)

H0797-0110

Schacht Exhibit No. 33

Letter and enclosure by RICHARD MORTON to the Treasury Solicitor of 15 November 1945.

(This letter has been forwarded by the prosecution to the defense of the defendant SCHACHT, and has been returned to the former after copying on 29 November 1945.)

Richard Morton,
Farnwood,
Kingsley Green,
Haslemere,

Haslemere 295.

15 November 1945

to the Treasury Solicitor.

re: indictment of Hjalmar Schacht
as war criminal.

Sir

Having had from 1933 to 1938 frequent contact with Schacht and various experiences, which I believe to be evidence that he is not guilty of my individual crime or of criminal conspiracy with other defendants as stated in the indictment, I consider it to be my duty to offer myself as witness to Schacht. I have written for the same purpose to Lord Wright as chairman of the War Crimes Commission and sent him the enclosed statement. I have as yet received no answer, but having heard in the meantime that you are the proper authority to address in this matter,

H0797-0111

Schacht Exhibit No. 33

I respectfully ask you to advise me how it would be possible for me to be put in touch with Schacht or his defendants.

Yours sincerely,

Richard Norton.

"I had only slightly known Schacht before 1933. I was, for this reason, surprised when soon after Hitler had became Chancellor, when I happened to be standing in the Hall of the Esplanade Hotel in Berlin, Schacht when I had not noticed before, walked right across the hall to talk with me. As I was, at that time already cut, or at least, evaded by many people who feared to publicly show their sympathy or even acquaintance with me on account of my purely Jewish ancestry and had among other things been forced to resign my position as one of the Presidents of the International Chamber of Commerce, I was particularly struck when Schacht told me that he hoped I would call at his office whenever I wished because he wanted to keep in contact with me. In the years '33 to '37 I called on Schacht fairly often (I cannot say how many times). He always had time for me, was always very outspoken, obliging and helpful as far as he could. Not only as a general impression but from what he actually said in our conversations I never had

H0797-0112

any doubt that Schacht was growing more sceptical and critical about Hitler's policy in many ways as the time went on. He criticised inter alia Hitler's anti-semitic agitation and their consequences not only in his conversations with me but also in a public speech (I believe in Konigsberg). When the Nazi censorship prevented the Press from publishing this speech he had it privately printed and distributed by post. I also received a copy.

He told me on several occasions that my attitude of sticking to my position and defending my Company against Nazi influence as best I could was perfectly right, the economic developments would force Hitler become reasonable. He gave me clearly to understand and I believe also, said so publicly that he considered his "new plan" as a necessary evil, a makeshift or transitional measure. In the year 1937 he sent word to me to Frankfurt, that he wanted to see me. When I came to his office a day or two later he told me that he had asked me to come because contrary to his hopes the situation had developed in such a way that he was unable to take the responsibility any longer (I cannot swear that he used these words,

H0797-0113

but that was the meaning), he continued verbally "I am going to lay my head on the block and it will be roll." I answered that it would be a very serious matter for Germany and incidentally for me, and asked him what he advised me to do. His answer was "don't bother, stick to your guns, you will get through all right, this whole set up is sure to break down" (again, I cannot swear that he used these very words, but whatever words he used that was clearly their meaning).

The above are only some of the salient points which stuck to my memory, but I remember a number of other facts about my dealings and contacts with Schacht when his views and actions stood in critical opposition to the Nazi Governments about which I could also give a detailed account. I do not believe, that I saw Schacht again after that last mentioned conversation. He was relieved of his post as Minister of Economics a day or two later but retained as President of the Reichsband and Golddiskontbank. The last I heard from Schacht was indirect.

H0797-0114

Schacht Exhibit No. 33

In 1939 before the outbreak of the War, Lord Norman (then Mr. Montague Norman, Governor of the Bank of England), told me confidentially that he had just come back from Basle where he had met Schacht who sent me his greetings. Lord Norman told me then that Schacht (who had returned from Basle to Germany) was in great personal danger as he was very much in disgrace with the Nazis.

As Schacht is now indicted of having taken part in a conspiracy and is held responsible for his own acts and for all acts committed by any persons in execution of such plan of conspiracy, I felt it my duty to make this statement and to offer myself as witness to Schacht, leaving it to his and his advocates decision, whether they believe my testimony would be of any value to them.

Certified True Copy
Dr. jur. HERBERT KRAUS
Professor of Jurisprudence